



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **REPORT ON THE CIVIL GRAND JURY'S RECOMMENDATIONS
RELATED TO THE COUNTY HALL OF JUSTICE**

In their fiscal year 2005-06 Final Report, the County Civil Grand Jury recommended that the Auditor-Controller conduct an audit of expenditures related to the County Hall of Justice (HOJ) since the building was closed after the 1994 Northridge earthquake. The Grand Jury indicated the audit should include:

- Funds spent on the HOJ since January 1994.
- Funds spent to lease office space for employees and departments previously housed in the HOJ, including moving and other ancillary costs.
- Financial and physical projections on when the HOJ could be ready for occupancy.
- The market value of the HOJ.

Hall of Justice Expenditures

We reviewed the Chief Administrative Office's (CAO) records of funds spent on the HOJ, and the Sheriff's Department's records of moving and ancillary costs. Although there was no separate accounting cost center for HOJ expenditures since 1994, we confirmed with the Sheriff Department those divisions displaced from the HOJ and validated these lease space costs from records maintained by the CAO as part of their space management responsibilities. In addition, we verified the CAO information on HOJ renovation/reuse costs by tracing a sample of these expenditures to the source

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documents. The Sheriff stated they could not locate documentation on the moving and ancillary costs they actually incurred when divisions relocated in 1994. They provided an estimate for moving, furniture, and tenant improvement costs which we found to be reasonable.

In summary, we validated the cost information provided by the CAO and Sheriff, except for the \$2 million for moving, furniture, and tenant improvement cost which were based on reasonable estimates, and have concluded that the County has spent approximately \$30.8 million on HOJ-related expenditures since 1994 as follows:

- \$26.4 million in lease costs for office space for Sheriff and other departments' employees who were previously housed in the HOJ.
- \$2 million for moving, furniture, and tenant improvements for relocating employees.
- \$2.4 million on the HOJ; including initial building cleanup, demolition design, and an environmental impact report on possible renovation/reuse alternatives.

Hall of Justice Projections

The CAO will respond to the Grand Jury recommendations regarding potential HOJ occupancy date, and market value using an independent appraisal in July 2007.

Please call me if you have any questions, or your staff may contact Mike Pirolo at (626) 293-1110.

JTM:MMO:JLS:MP

c: David E. Janssen, Chief Administrative Officer
Leroy D. Baca, Sheriff
Sachi A. Hamai, Executive Officer
Audit Committee
Public Information Office